



**North Carolina Department of Health and Human Services
Division of Mental Health, Developmental Disabilities and Substance Abuse Services**

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Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

Richard J. Visingardi, Ph. D., Director

February 2, 2004

MEMORANDUM

To: Legislative Oversight Committee Members
MH/DD/SAS Commission
Consumer/Family Advisory Committee Chairs
Advocacy Organizations and Groups
North Carolina Association of County Commissioners
County Managers
County Manager Chairs
North Carolina Council of Community Programs
Area Program Directors
Area Program Board Chairs
Provider Organizations
MH/DD/SAS Professional Organizations and Groups
MH/DD/SAS Stakeholder Organizations and Groups
Other MH/DD/SAS Stakeholders

From: Richard J. Visingardi, Ph.D.

Re: **Communication Bulletin # 015**
DRAFT DHHS/LME Contract

State
Plan **2003**
Communication Bulletin

Enclosed is a copy of the draft State Fiscal Year 2004-2005 (SFY 04/05) contract between the North Carolina Department of Health and Human Services (DHHS) and the Local Management Entities (LMEs).

Please note that several of the Guidelines referenced in Attachment III are not included in this mailing. The federal certifications referenced in item 1.0 are standard forms which require no modification and the Certified Local Business Plans, item 2.0, will vary for each LME. The Child Plan Memorandum of Agreement (8.0) has not changed from the one currently in use. The Utilization Management Guidelines (5.0) and the Consumer Appeals and Grievance document (9.0) are in the final stages of development and will be distributed when completed. The Service Definitions (6.0) have already been distributed in draft form and are not duplicated in this package. As you know, those



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Negotiations at the statewide, systems level will initiate between the State and representatives of our local public partners – the North Carolina Association of County Commissioners (NCACC) and the North Carolina Council of Community Programs (Council). The process and estimated timelines are as follows:

- **Systems Negotiation Initiation Stage (February 1, 2004 through February 29, 2004):** The draft contract will be delivered to the local public system on February 2, 2004. During this time the local public system will have an opportunity to review and organize their negotiation considerations and strategy and negotiations will be initiated. It is the intent of the State to be as flexible as possible during the negotiation process. However, it must be acknowledged from the outset that matters of State or federal law and regulation are not subject to negotiations.
- **Systems Negotiation Secondary Stage (March 1, 2004 through March 31, 2004):** The State and local systems negotiation teams will complete a majority of the contract negotiations.
- **Systems Negotiation Completion State (April 1, 2004 through April 30, 2004):** The State and local systems negotiation teams will complete all negotiations.
- **Local Stage (May 1, 2004 through May 31, 2004):** The contract ultimately is an agreement between the State and each LME. During this time the State will complete the contract process with each LME. Although a single contract is intended to be used statewide and most of the contractual requirements and performance expectations must be the same across the State, there is some room for local negotiations. Virtually all of the local negotiation issues, if not all of them, should be addressed through an update to certified Local Business Plans (LBPs). The LBP is an attachment to the contract. Also, the LBP process allows each community an opportunity to plan for transitions necessary to move the reform effort forward.

All systems and local contract negotiations must be completed by no later than May 31, 2004 in order for the State and LMEs to have signed contracts in place by July 1, 2004.

Leza Wainwright, Deputy Director of DMH/DD/SAS will serve as Team Leader of the State negotiation team which will include representatives from DMH/DD/SAS, the Division of Medical Assistance (DMA) and the DHHS Controller's Office. We will publish the names of the team when they are finalized and will also let you know the composition of the teams from the Council and NCACC.

Both the State and local public system will involve other representatives in the negotiation process in areas where they have a particular substantive or technical expertise. In almost all instances these individuals will advise representatives of their teams. In order to keep focused and move the negotiations forward it is imperative that the members of the negotiation team remain constant and at a "workable" size.

The final negotiated contract must meet the approval of the Directors of the DMH/DD/SAS and DMA and the DHHS Controller. In addition, the final negotiated contract must be reviewed and recommended for approval by the Office of the Attorney General and any other members of the DHHS from whom the Secretary requests input. The ultimate authority for the State to approve the final contract rests with the Secretary.



You may provide feedback throughout the process. Of course, we would like to receive feedback as quickly as possible. In order to facilitate this process, please consider the following:

- The local public systems (counties and public authorities) should provide their feedback through their respective associations. Their associations will have representatives on the systems negotiation teams. Of course, the local public systems may copy their feedback to the State and/or submit said feedback directly to the State. Our concern here is simply communication, coordination and timeliness.
- Stakeholders should submit their feedback directly to the State. Once again, stakeholders may also copy and/or send their feedback to the local public systems (counties and public authorities). Once again, our concern is simply communication, coordination and timeliness. All feedback received from stakeholders will be shared with the local public system and we are requesting that they do the same.
- Feedback may be submitted by e-mail, fax or written communication and by phone for individuals who do not have access to the communication methods described here or who require accommodations. Feedback submission contact information is as follows:

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LME System Performance Team
DMH/DD/SAS
3015 Mail Service Center
Raleigh, NC 27699-3015
(919) 715-1294
(919) 715-1233 TTY
E-Mail: Dick.Oliver@ncmail.net

- In order to create increased opportunity for consumer and family input, the DMH/DD/SAS Advocacy and Customer Services section Consumer Empowerment Team will work with CFAC Chairs to target feedback solicitation efforts. This will include assisting CFACs in consumer and family member local information and feedback gathering efforts and communications with the DMH/DD/SAS. In addition, the Consumer Empowerment Team will work closely with contract negotiation team members of the DMH/DD/SAS in order to more directly communicate the feedback of consumers and family members. Of course, consumers and family members may also use the general feedback process we have established.
- All written feedback received will be placed on the DMH/DD/SAS web site at <http://www.dhhs.state.nc.us/mhddsas/>. Any verbal feedback received will be summarized and included with the written feedback. We will not respond individually to any feedback. Individual responses would create resource, time and efficiency problems. We will consider **all** feedback as we negotiate the contract.

We will post updates regarding the negotiations on our web site. This will include summaries of key changes in the contract resulting from the negotiations. You will also be issued a copy of the final statewide negotiated contract through the Director's Communication series.

cc: Secretary Carmen Hooker Odom
Lanier Cansler
James Bernstein

DMH/DD/SAS Executive Leadership Team
Dick Oliver
Mark Van Sciver

